29

STANDING COMMITTEE ON FINANCE

(2002)

(THIRTEENTH LOK SABHA)

TWENTY NINTH REPORT

MINISTRY OF PLANNING

DEMANDS FOR GRANTS

(2002-2003)

Presented to Lok Sabha on 23 April, 2002

Laid in Rajya Sabha on 24 April, 2002.

LOK SABHA SECRETARIAT

NEW DELHI

April, 2002/Chaitra, 1924(Saka)

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COMPOSITION OF STANDING COMMITTEE ON FINANCE - 2002

Shri. N. Janardhana Reddy – Chairman

MEMBERS

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2. Dr. Sanjay Paswan
3. Shri Ramsinh Rathwa
4. Shri Rattan Lal Kataria
5. Shri Kirit Somaiya
6. Shri Kharabela Swain
7. Shri Raj Narain Passi
8. Shri S. Jaipal Reddy
9. Shri Ramesh Chennithala
10. Shri Kamal Nath
11. Shri Pravin Rashtrapal
12. Shri Sudarsana E.M. Natchiappan
13. Shri Rupchand Pal
14. Shri Varkala Radhakrishnan
15. Dr. Daggubati Ramanaidu
16. Shri Chada Suresh Reddy
17. Shri Prakash Paranjpe
18. Shri Raashid Alvi
19. Shri T.M.Selvaganapathi
20. Shri Trilochan Kanungo
21. Shri Sudip Bandyopadhyay
22. Shri Sharad Pawar
23. Shri Abdul Rashid Shaheen
24. Capt. Jai Narain Prasad Nishad
25. Shri Prabodh Panda
26. Shri Amir Alam Khan
27. Shri M.V.V.S. Murthy**
28. Shri Jyotiraditya Madhavrao Scindia***
29. Vacant
30. Vacant

RAJYA SABHA

31. Dr. Manmohan Singh
32. Shri S.S. Ahluwalia
33. Shri Dina Nath Mishra *
34. Shri Parmeshwar Kumar Agarwalla
35. Dr. Biplab Dasgupta
36. Shri P. Prabhakar Reddy
37. Prof. M. Sankaralingam
38. Shri Amar Singh
39. Shri Sanjay Nirupam
40. Shri Palden Tsering Gyamtso
41. Shri Prithviraj Dajisaheb Chavan @
42. Shri Praful Patel @@
43. Shri Murli Deora @@@
44. Vacant
45. Vacant

* Nominated vice Sh. Narendra Mohan w.e.f. 4.1.2002.
** Nominated w.e.f. 18.1.2002
*** Nominated w.e.f. 11.3.2002
@ Nominated w.e.f. 8.4.2002
@@ Nominated w.e.f. 8.4.2002
@@@ Nominated w.e.f. 10.4.2002

SECRETARIAT

1.	Shri P.D.T. Achary	-	Additional Secretary
2.	Dr. (Smt.) P.K. Sandhu	-	Joint Secretary
3.	Shri R.K. Jain	-	Deputy Secretary
4.	Shri S.B. Arora	-	Under Secretary

INTRODUCTION

I, the Chairman, Standing Committee on Finance having been authorised by the Committee to submit the Report on their behalf, present this Twenty Ninth Report on Demands for Grants (2002-2003) of the Ministry of Planning.

2. The Demands for Grants of the Ministry of Planning were laid on the Table of the House on 20 March, 2002. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Finance are required to consider the Demands for Grants of the Ministries/Departments under its jurisdiction and make Reports on the same to both the Houses of Parliament.

3. The Committee took oral evidence of the representatives of the Ministry of Planning at their sitting held on 3 April, 2002 in connection with examination of the Demands for Grants (2002-2003) of the Ministry of Planning.

4. The Committee considered and adopted the Report at their sitting held on 17 April, 2002.

5. The Committee wish to express their thanks to the Officers of the Ministry of Planning for the co-operation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. For facility of reference, the observations/recommendations of the Committee have been printed in thick type.

NEW DELHI;
18 April, 2002
28 Chaitra, 1924(Saka)

N. JANARDHANA REDDY
Chairman,
Standing Committee on Finance

Tenth Five Year Plan

The Approach Paper to the Tenth Five Year Plan aims at stepping up the growth rate of GDP to eight percent per annum over the Plan period 2002-2007. It also proposes to establish specific monitorable targets covering economic, social and environmental dimensions of human development. These include targets on reduction in poverty ratio, access to primary education, raising literacy rate, decline in infant mortality rate and maternal mortality rate, raising employment growth rate, improving coverage of villages in terms of access to potable drinking water, reducing gender gaps in literacy and wage rates, cleaning of major polluted river stretches, increase in forest cover and reducing the decadal population growth rate.

2. The Tenth Plan envisages a State wise break up of growth and other monitorable targets to build up requisite focus for reducing regional disparities in social and economic attainments. It proposes to integrate growth with equity and social justice. This would involve making agriculture development a core element of the Plan. It involves bringing about rapid growth in sectors with high quality employment opportunities. It also envisages restructuring of targeted programmes, emphasising cross sectoral synergies, for special groups. The underlying strategy for the attainment of Plan targets is contingent on our ability to increase investment rate in the economy to 30-32 percent, increase the productivity of existing capital assets, undertaking second generation policy reforms with a view to improving the efficiency of new investment; and devise instrumentalities to facilitate and encourage a deepening and broadening of the agenda for reforms across the States.

3. Explaining the salient features of the Tenth Five Year Plan the Ministry stated:

> "The Tenth Five Year Plan (2002-2007) is to be launched on 1.4.2002. The Approach paper to the Tenth Plan was approved by the NDC on 1-9-2001. The Approach paper envisages stepping up the growth rate of Gross Domestic Product to 8 per cent per annum over the Plan period. It has also established specific monitorable targets covering economic, social and environmental dimensions of development. These include :
>
> Monitorable Targets For The Tenth Plan And Beyond
>
> •Reduction of poverty ratio by 5 percentage points by 2007 and by 15 percentage points by 2012;

- Providing gainful high-quality employment to the addition to the labour force over the Tenth Plan period;
- All children in school by 2003; all children to complete 5 years of schooling by 2007;
- Reduction of gender gaps in literacy and wage rates by at least 50% by 2007.
- Reduction in the decadal rate of population growth between 2001 and 2011 to 16.2%;
- Increase in Literacy rate to 75% within the Plan period;
- Reduction of Infant mortality rate (IMR) to 45 per 1000 live births by 2007 and to 28 by 2012;
- Reduction of Maternal mortality ratio (MMR) to 2 per 1000 live births by 2007 and to 1 by 2012.
- Increase in forest and tree cover to 25% by 2007 and 33% by 2012.
- All villages to have sustained access to potable drinking water within the Plan period;
- Cleaning of major polluted rivers by 2007 and other notified stretches by 2012.

In order to emphasise the importance of ensuring balanced development for all states, the Tenth Plan should include a state-wise break-down of the broad developmental targets, including targets for growth rates and social development. These state specific targets should take into account the potentialities and constraints present in each state and the scope for improvement in performance given these constraints. This will require careful consideration of the sectoral pattern of growth and its regional dispersion. It will also focus attention on the nature of reforms that will have to be implemented at the state level to achieve the growth targets set for the states.

The Approach Paper to the Plan also envisages making agricultural development as its core element of the Plan, encouraging rapid growth in sectors with high employment opportunities and a restructuring of target programmes to emphasise cross-sectoral synergies for special groups. The Plan places critical responsibility on the Panchayati Raj Institutions, particularly with regard to improving delivery mechanism for poverty alleviation schemes and also improving accountability at the local level in the public provisioning of education and health services. It recognises the serious gaps that are emerging in infrastructure, particularly in power, railways and public investment in irrigation.

The 8% growth rate in the Tenth Plan will require an investment level of 32.6% of GDP. This will be financed through increase in domestic savings to 29.8% of GDP and foreign savings of 2.8%. The increase in domestic savings has to be primarily achieved by raising the government savings to 1.7 percent, which has been hitherto negative,

keeping in line with the Fiscal Responsibility and Budget Management Bill. The efficiency of investment also has to improve. In so far as the social sector is concerned, the improvement will come from better governance which has been one of the thrust areas of the Approach Paper. "

4. During the oral evidence of the Ministry regarding the overall performance of the economy during Ninth Plan is stated as under:

"The Mid-Term Appraisal of the Ninth Plan was prepared and published in October, 2000 which presented a frank and critical appraisal of the developments in the Indian economy during the first three years of the Ninth Plan Period and the expectations for the remaining two years of the Plan. The First and most important observation was that there was a significant slippage from the growth target of 6.5 percent per annum that had been set for the Ninth Plan. The trends were such that the shortfalls were unlikely to be made up during the last two years. Our prognostications then made have been justified and it appears that the average growth performance during the Ninth Plan will be about 5.5 percent per annum, a full percentage point less than targeted.

The principal reason for this slippage in the growth performance appears to be the serious shortfalls that had occurred in public investment, particularly in the States. According to our estimates overall public investment was about 25 percent lower than what had been targeted. In the case of States, the shortfall was about 30 percent. Since public investment is an important component of the overall demand scenario in the country such shortages lead to under-utilisation of capacities in the private sector, thereby to a reduction in the private investment activity as well."

5. As regards steps suggested by the Planning Commission to overcome the shortfalls in targets during Ninth Plan the Ministry in their reply stated:

"As per the Mid Term Appraisal (MTA) of the Ninth Five Year Plan,

- The last two years of the Plan were expected to see a revival in both public savings and investment but unlikely to attain the targets set in the Plan.

- In Agriculture & Allied Activities sector, the actual investment during first three years of the Plan has been only 44 per cent of the revised requirements. This was much too low and concerted efforts will have to be made to accelerate the pace of investment in this sector if the Plan targets are to be attained. For most part, investment in this sector lies in the domain of States and of the private sector, with the Centre contributing less than 10 per cent of the total investment requirement.

- An improvement in the fiscal position of the State Governments is essential for revival of investment in this sector, both directly and through a "crowding in" effect. The gestation lags of investment in this sector are by and large quite small, averaging just over one year, and therefore expeditious action can yield fairly quick results.

- The situation in Mining & Quarrying is much worse than in Agriculture and 44 per cent achievement of the revised requirement in the first three years. In the first place, the gestation lags of investment in this sector typically are large, and not too much can be expected in the near future even if there is an immediate revival in investment. Second, the bulk of investment now occurring in this sector is by Central Public Sector Enterprises (CPSEs). The internal resources of many of these CPSEs, particularly in coal, have fallen significantly short of Plan estimates, which have also adversely affected their ability to raise extra-budgetary resources. There is some hope that with the revival of the economy, the internal resources of these enterprises will improve and will enable them to raise the pace of investment, but this may not be enough. The Plan had expected that about 40 per cent of investment in this sector would come from private sources, which would require policy and legislative changes outlined in the Plan. This expectation has been belied primarily due to inadequate movement on the policy front. Although enabling provisions for private involvement have been made, the procedural and legislative follow-up has been inadequate. The urgency for such movement cannot be overstated since lack of adequate investment in this sector within the next couple of years will seriously jeopardise the pipeline investment needed to accelerate the growth rate of the economy during the Tenth Plan period and beyond."

6. The Committee note that the Tenth Plan envisages growth rate of 8 percent. The monitorable targets for Tenth Plan covering economic, social and environmental dimensions of human development present a rosy picture. However the practicality of attainment of these targets is to be viewed against the backdrop of Ninth Plan scenario.

The Committee find that overall performance of the economy has seriously suffered during the Ninth Plan. This is particularly due to dismal performance in primary sectors and not so impressive performance in the secondary sector.

Against this backdrop, the Committee are seriously apprehensive of likely spurt in the economic growth rate to 8 percent as envisaged in the Tenth Plan. They, therefore, are of the view that unless all concerted steps are taken with a view to identifying various constraints, the target is difficult to achieve. It is,

therefore, necessary that the strategies as envisaged in the Plan should be followed vigorously and milestones fixed should be monitored strictly.

Public Sector Investment and Savings

7. While growth rates may be affected by the base change, it may be argued, the absolute levels of savings and investment taking place in the economy would determine the absolute increase in GDP, which is what ultimately counts in terms of the standard of living of people. The total domestic savings at constant 1996-97 prices has fallen short of the target by 5.2 percent. As far as investments are concerned, real investment during first three years of the plan has fallen short of the target by 5.6 percent. A casual examination of the numbers seem to indicate that this is entirely on account of a 23 percent shortfall in public investment.

8. Gross Domestic Savings (GDS) constituted 22.3 percent of GDP at market prices in 1999-00. This was marginally higher than the savings rate of 22.0 percent realized in 1998-99. However, Gross Domestic Investment as a proportion of GDP has marginally increased from 23.0 percent in 1998-99 to 23.3 percent in 1999-2000.

9. While explaining the salient features of the Tenth Five Year Plan, the Ministry in their reply submitted:

> " The 8% growth rate in the Tenth Plan will require an investment level of 32.6% of GDP. This will be financed through increase in domestic savings to 29.8% of GDP and foreign savings of 2.8%. The increase in domestic savings has to be primarily achieved by raising the government savings to 1.7 percent, which has been hitherto negative, keeping in line with the Fiscal Responsibility and Budget Management Bill."

10. When asked about the steps proposed to increase public sector investment and savings during the Tenth Plan, the Ministry in their reply have stated as under:

> ''a) Gross tax (including diesel cess) to GDP ratio rising from 9.16 per cent in 2001- 02 to 11.7 percent in 2006-07 implying buoyancy of 1.44 per cent.
>
> (b) Disinvestment process to be accelerated to yield Rs.16000 to Rs.17000 crores per year on the average over the first three years of the 10th Plan.

(c) Higher tax revenue should be achieved mainly through buoyancy and expansion of the tax base. Besides, a widespread and bold imposition of user charges of all non-merit goods.

(d) For tax revenues to increase as a share of GDP, imposition of indirect taxes on the services sector is imperative. This can essentially be achieved by the imposition of a widespread value added tax on all sectors of the economy. This would mean the levy of tax at every stage of value addition from production to sale of both goods and services. Levying such a tax will require an amendment to the Constitution along with the achievement of the consensus with the States so that it becomes feasible to do so.

A good deal of public sector investment is in the provision of public services. The pattern and condition of the provision of such infrastructure services has been done in such a way that the public has got used to not paying economic charges for these services. This includes key services such as power, water supply, irrigation, and transport, among others. It is primarily the absence of appropriate pricing of public services and the lack of will to collect the levied charges that has caused the large fiscal imbalance that afflicts the country.

The argument for not charging appropriate user charges has essentially been based on equity considerations. It is argued that the poor are not able to pay adequately for these essential public services. This argument ignores the fact that it is the better-off sections of the society that consume most such services and therefore benefit from these services. In fact, if the better-off are made to pay, it would then become possible to provide essential services to reach the poor. The fiscal health of both the central and state governments can improve dramatically over, say, a five-year period if this correction is made. The Approach Paper advocates realisation of appropriate user charges."

11. The Committee were informed by the Secretary, Ministry of Planning during evidence that:

"There are two critical dimensions that have to be taken into account in regard to public Savings and Investments:

Firstly, in order to generate sufficient resources for achieving the growth targets public savings will have to be raised significantly from minus 1 percent of GDP at present to more than two percent of GDP during the Tenth Plan period. Such a turn around would not be possible without serious fiscal reforms, both at the Centre and in the States. Although the worst impact by the Pay Commission Award is now behind us, it has left a legacy of large public debts on which, we are paying high amount of

interests. Generating adequate public savings would require both controls of revenue expenditure and increase in tax revenues at all levels of the Governments. Attention will also have to be paid to reducing various implicit and explicit subsidies through rising user charges particularly in the States.

Secondly, the efficiency of investment in the country both in public and private sector are unacceptably low level and need to be improved significantly. There are various reasons of this problem but the most important of which is the quality of governance. There is need to removal of policy and procedural hurdles to economic activity in the country so that the entrepreneurial qualities of our people can find full expression. This is not an easy task as there are strong vested interests in maintenance of such controls and Government at different levels will have to consciously take measures by which these impediments are to be overcomed.

In addition to this to achieve our objective, the trend of decline in public investment in agriculture and in rural development will have to be decisively reversed so that productive essence can be built up in our rural areas and extent of connectivity between rural areas and the urban areas are enhanced considerably. In view of this, considerable emphasis is placed on rural connectivity where roads, railways telecommunications on effective harnessing of our soil and water endowments. We fully recognized that constitutionally the responsibility for many of the focused areas of the Plan lie in the demand of State Governments and also that with the fiscal policies of most States are such that they may not be able to adequately meet the requirements through their own resources. In order to address this problem, a number of initiatives are being proposed which would facilitate the State Governments not only in making the necessary investments but also in implementing the desired reforms. We hope that the States will welcome these measures when NDC meets for approving the Tenth Plan document."

12. The Committee are concerned to note that there has been a fall in both domestic savings and real investment during the Ninth Five Year Plan and are of the view that unless steps are taken in the right earnest to step up these, the projected 8 percent growth as envisaged under the Tenth Five Year Plan does not seem to be feasible. Multipronged strategies such as increasing Gross tax to GDP ratio, enhanced public investment in key sectors such as infrastructure, rural development & agriculture, coupled with fiscal prudence and judicious use of resources is called for, which are of paramount importance. Besides, as rightly suggested by the Planning Commission there is need for good quality of governance without which the required results are difficult to be achieved.

Since the task is a daunting one; the cooperation as well as sincere efforts by the entire machinery of the Government is essentially required. The Committee, therefore, desire that all Ministries/Departments/organizations must work in liaison with each other towards achieving the goals/targets enunciated under the 10th Plan. The Planning Commission should also assess the results achieved and make an appraisal regarding the end use of the money allocated under different plans before making any fresh allocations.

State Development Report

13. In order to provide a quality reference document on the development profile and setting out strategies for accelerating the growth rate of major states, Planning commission has initiated preparation for State Development Reports [in coordination with the states], for thirteen states. These states are : Uttar Pradesh, Uttaranchal, Orissa, Bihar Jharkhand, Madhya Pradesh, Chattisgarh, Rajasthan, Assam, Maharashtra, West Bengal, Tamil Nadu, Punjab. These reports, which will be credible, independent documents prepared by reputed expert agencies, are expected to be ready in a phased manner over the next two years.

14. Regarding the steps, taken by the Planning Commission to finalise the State Development Reports which would provide a quality reference document on the development profile and setting out strategies for accelerating the growth rate, the Ministry in their reply stated as under:

> "In order to ensure that relevant and quality State Developemnt Reports are prepared, Core committees with Member Planning Commission as Chairman, State Plan Adviser concerned, Planning Secretary of States and Reputed Consultants as members are constituted to coordinate preparation of State Development Reports. These Committees, one for each of the state for which State Development Reports are to be prepared, are responsible for finalizing the terms of references of State Development Reports in consultation with States concerned, identification and selection of Consultancy firms to prepare the reports, scrutiny and acceptance of the Draft Reports.
>
> Preparation of State Development Reports for ten states were intiated during 2000-2001. Three more states were taken up during 2001-2002. First Draft for the States of Orissa, Bihar, Jharkhand, Rajasthan and Assam have been completed as of now."

15. During evidence the representative of the Ministry explained further that:

> "The Planning Commission has taken upon itself the task of preparing detailed State Development Reports for a few selected States with the hope that it will assist them in designing their development plans and strategies. It has also been decided that the Tenth Plan document will provide State-wise break-up of the main development targets which are both consistent with the National target and with the capabilities of different States. This is a major exercise, which has never been undertaken by the Planning Commission before, and we hope that it will prove useful for the States of the Union."

16. When asked, why the remaining states have not initiated the preparation of their Development Reports which would provide a feed back to formulate their development plans, the Ministry in their reply stated that:

> "The objective and strategies were for accelerating growth rate of major States where either growth is less than national average or acceleration of growth would have a significant impact on national growth. Hence, only major states were taken up for the present."

17. The Committee note that action regarding preparation of State Development Reports for thirteen states was taken up during 2000-01 and 2001-02. The Committee further note with satisfaction that in order to ensure preparation of relevant and quality State Development Reports, Core Committees with Member, Planning Commission as Chairman, State Plan Adviser concerned, Planning Secretary of States and Reputed consultants as members are constituted to coordinate preparation of State Development Reports.

The Committee are of the view that such development reports provide valuable information regarding progress made, prevalent vulnerabilities and prospects for development etc. Moreover, the information and data in the State Development Reports can be very useful for the Planning Commission in formulating policies and programmes for whole of the country. The Committee therefore desire that the preparation of such State Development Reports should be initiated for each and every state in a time bound manner.

Demand No. 65

Ministry of Planning
Major Head : 3475
Minor Head : 00.800
Detailed Head : 06.00.28

Payment for Professional and Special Services

18. The Planning Commission is, inter-alia, operating a Plan Scheme named "Payment for Professional and Special Services (PPSS)". Under this Scheme, the services of outside experts including the retired government officials are engaged by the Planning Commission for undertaking specific studies of complex nature which are of current interest to the Commission and which cannot otherwise be carried out by the Planning Commission with the help of its regular staff.

The budgetary allocations under this head are as follows:

(Plan)

Year	Budget Estimates	Revised Estimates	Actuals
1998-1999	5,73,00,000	3,26,00,000	1,27,91,000
1999-2000	3,29,00,000	1,00,00,000	54,76,000
2000-2001	2,00,00,000	76,00,000	46,64,000
2001-2002	76,00,000	30,00,000	-
2002-2003	40,00,000		

19. When the Committee desired to know the reasons for under-utilisation of budgetary allocation (plan) since 1998-99 compared to drastically reduced revised estimate, the Ministry in their reply stated as under:

> "A major part of these Budgetary Allocations under the aforesaid Plan Scheme till the year 2000-2001 was earmarked for the expenditure to be incurred towards ARPU. The activity of ARPU was started sometime in 1988 to provide technical and scientific support to Agricultural and allied sectors initially during the Eighth Plan and was later continued during the Ninth Plan period also. The purpose for which the project under ARPU was initiated was going to be over during the later half of Ninth Plan and the demands from the Sardar Patel Institute of Economic and Social Research, Ahmedabad, as well as various other Project Centres for releasing financial assistance was not being received as per the Estimated demands.
>
> The scheme was to be implemented in coordination with the State Govts. and the selected State Agricultural Universities. The State Govts. were also required to bear matching contributions. It was noticed that they were not able to fully utilise the amounts earlier released to them in the previous years and hence also there was a short fall in their demands of additional funds from the Planning

Commission/SPIESR. The ARPU component has since been decided to be discontinued w.e.f. 1.4.2002.

Regarding the other part of the Scheme i.e. hiring of the services of Individual Experts or the Institutes for undertaking specific studies, it is pointed out that it is not possible for the Planning Commission to determine the exact requirement of Consultants to be appointed in a year, at the time of formulating Budget (BE) Proposals. The Planning Commission has been authorized to engage a maximum of 25 Consultants. The terms regarding their fee, TA/DA etc. are regulated in accordance with the guidelines issued by the Department of Personnel & Training. In these circumstances, the Planning Commission, at the time of formulating Budget (BE) proposals, normally makes a provision for suitable amount for all these slots. At the stage of RE, however, the picture gets clearer and the Planning Commission is in a position to ask for a provision which is more realistic in nature."

20. As regards the actuals for 2001-02, the Ministry replied:

"The Actuals for 2001-2002 are Rs. 30 Lakh and the entire amount provided under the Scheme at RE Stage for the year has been fully utilized."

21. The Committee observe that under the head "Payment for Professional and Special Services" the services of outside experts including the retired government officials are engaged by the Planning Commission for undertaking specific studies of complex nature which are of current interest to the Commission. The Committee also note that a more realistic provision of funds can be made only during RE stage on account of factors beyond the control of the Planning Commission.

However, the Committee are surprised to find that the actual expenditure are much lower in comparison to the allocations made at RE stage. This shows that projections even at RE stage are still from reality. The Committee, therefore, desire that more practical and rational approach should be adopted while projecting demands so that the variations at least between RE and Actuals could be minimized.

Demand No. 65
Ministry of Planning
Object Code 31

Grants-in-Aid

22. Grants-in-Aid under the plan section of Institute of Applied Man Power Research (IAMR) is for the purpose of taking up studies on topics of current interest to Planning Commission. Grants-in-aid to Universities and Research Institutes is provided for carrying out research studies including subsidies, if any, for publication of the findings of such research study, organizing seminars and workshops and for institution development. Under UNDP assistance grants-in-aid is provided to State Governments for capacity building for State Human Development Reports.

Budget allocation under this Head are as follows:

Year	Budget Estimates		Revised Estimates		Actuals	
	Plan	Non-plan	Plan	Non-plan	Plan	Non-plan
1998-1999	10,34,00,000*	2,87,50,000	6,82,00,000*	3,15,50,000	5,85,76,000	3,15,45,000
1999-2000	10,47,00,000	3,19,00,000	3,54,00,000	3,15,00,000	1,72,47,000	3,14,35,000
2000-2001	10,08,00,000	3,81,00,000	55,14,00,000	3,73,00,000	55,03,18,000	3,71,25,000
2001-2002	6,69,16,000	4,01,00,000	56,43,60,000	3,81,00,000	-	-
2002-2003	9,42,00,000	3,61,00,000				

23. In their reply on expenditures under the head Grants-in-Aid, the Ministry submitted as below:

> "During the year 1998-99 the BE includes Management Consultancy Scheme, NIC, Grant-in-aid to IAMR Plan, Strengthening of Planning Machinery etc. The total BE for 1998-99 was 10.34 crore and not 13.45 crore as stated in the statement.(corrigendum issued).
>
> The RE figure is 6.82 crore against 9.93 crore as reflected in the statement. This figure was communicated vide Planning Commission corrigendum No. G-20011/17/98-IFC a copy was also given to Standing Committee Section.
>
> The reasons for shortfall in actuals during 1998-1999 under Plan is mainly because of non-utilisation of funds by IAMR and Socio-Economic Research Unit. The actuals of 99-2000 does not include NIC's actuals. In 2000-2001 Rs. 50 crore has kept for National Population Stabilisation Fund at RE stage. Hence RE and 2001-2002 also Rs. 50 crore has been kept for Seed Money to National Population Stabilisation Fund.
>
> In 2002-2003 no provision has been kept for National Population Stabilisation Fund. Rs. 7.50 crores has been kept for Grant-in-aid to IAMR, Rs. 1.25 crore for Grant-in-aid to Universities and Research Institutions. Grant-in-aid to IAMR for taking up studies on topics of current interest Rs. 50 lakh and

Rs. 17 lakh for UNDP assistance programme. Under Non-Plan 3.60 lakh for IAMR and Rs. 1 lakh for has been kept for welfare activities."

24. When the Committee wanted to know the reason for variation either between BE (Plan) and RE or between RE and Actualsisnce1998-99, the Ministry stated:

"The main reason for shortfall in BE (Plan) 2002-2003 is non-allocation of funds to National Population Stabilisation Fund during 2002-2003.
Regarding Grants-in-Aid to Universities and Research Institutions, training, research and institution development etc., it may be stated that while projecting for the RE for 1998-1999 at Rs. 1.60 crores, Rs. 30.00 lakhs was kept for giving grants-in-aid in the form of Endowment Grants to six Universities/Institutes as the final instalment under the Endowment Grants of Rs. 5.00 lakhs each. These are Punjabi University, Patiala, Allahabad University, Allahabad, Mumbai University, Mumbai, Jadavpur University, Jadavpur, Mysore University, Mysore, Madras University, Chennai. This instalment was to be released as final instalment after the Chair has been filled for the planning unit set up in these Universities. Only Pubjabi University, Patiala fulfilled the requirement and an amount of Rs. 5.00 lakhs has been released to it during the Ninth Plan. This is the major reason why the shortfall in the expenditure in the 1998-99 was observed. The actual expenditure as compared to RE of Rs. 1.60 crores is also mainly due to the reason that only 5.00 lakhs was released during the year as against Rs. 30.00 lakhs envisaged.

The UNDP Project was made operational in July, 1999. There was no BE for this project for 1999-2000. An RE provision was kept only in January, 2000. In order to ensure that there were sufficient funds under the Project, the entire UNDP assistance was routed through budget of the Planning Commission as per the rules and laid down by the Ministry of Finance for implementation of UNDP Projects. The State Governments took an unusually long time for various reasons for making progress on preparation of their HDRs which delayed the progress of expenditure. However, the entire RE provision of Rs. 53.40 lakh under Budget Head has been utilized fully during the current year. This is because the Project has gained momentum after initial delay. "

25. The Committee note that there are wide variations between Budgetary Estimates, Revised Estimates and Actuals under the Head Grants-in-Aid. The reasons for shortfall in actuals during 1998-99 under Plan is stated to be due to non utilization of funds by IAMR and Socio-Economic Research Unit. The actuals of 1999-00 does not include NIC's actuals. The Committee desire that utmost care must be taken to avoid variations in BE, RE and Actuals.

The Committee recommend that while providing grants-in-aid the Planning Commission should make appraisals and subsequent allocation of funds should be made thereafter They should also obtain utilization certificate from the concerned

institutions. Moreover the Committee reiterate that there should be judicious selection of institutions for providing Grants-in-aid.

The Committee note that UNDP project has been operationalised since July 1999. But the assistance from UNDP has not been utilized in time due to delay in preparation of State HDRs. The Committee, therefore, emphasise that there should be timely utilization of funds under UNDP assistance to complete preparation of State HDRs.

Non Government Organisation

26. Keeping in view the vastness of the country and the magnitude of the problems, NGOs have been involved in the implementation of various social welfare programmes. Their role has been to function as motivators/facilitators to enable the community to chalk out an effective strategy for tackling social problems. However, there are a few drawbacks in the implementation through NGOs, viz. i) rigid rules and procedures; ii) most of the NGOs working in social welfare are urban based, and iii) uneven spread of NGO services in various States/regions of the country.

27. In regard to the steps for promotion/strengthening of the voluntary organizations to enable them to work more effectively for the people at the grass root level, the Ministry in their reply, submitted before the Committee stated as under:

> "It is Planning Commission's constant endeavour to promote and strengthen VOs / NGOs. A Steering Committee on Voluntary Sector for the Tenth Plan has recommended a series of measures to achieve the desired objective of promoting and strengthening voluntary sector. The report is available on Planning Commission's website and has been sent to all States /UTs and to concerned Departments / Ministries."

28. Regarding the main suggestions of the Steering Committee, the Ministry in their reply stated as under:

> "Following main suggestions were made in the Steering Committee Report for promoting and strengthening voluntary sector:
>
> (1) The concerned Departments / Ministries as well as the State Governments will have to play a key role in capacity building of VOs / NGOs by conceptualising and providing required infrastructure for locally relevant training programmes to the NGO workers.
>
> (2) Simultaneously, training programmes need to be extended to the public officials dealing with voluntary sector, particularly those working in the areas of law & order, judiciary, revenue, forest, etc. with special focus at the grassroots level. State level civil service training institutions should be used for the purpose, involving resource persons from the voluntary sector.
>
> (3) We talk about local resource mobilisation for sustaining the VOs as well as their specific interventions but majority of VOs are not adequately skilled in doing so. Therefore, capacity building needs of the VOs for the complex local resource mobilisation may be met by adequate workshops / trainings. Unless such fund raising capacity is built up, there is no need to

reduce the funding of VOs getting support from government by concerned Departments / Ministries.

(4) Some of the areas identified for capacity building of voluntary sector are; service delivery, concept & practice of people's organisations, PRA, GIS, MIS, gender & development, indigenous resource mobilisation, project formulation, traditional wisdom / indigenous technical knowledge, social audit, multi-stake holder partnership, report writing, communication skills, financial management, monitoring & evaluation, networking & advocacy skills, etc.

(5) Training programmes for the government officials at district, state and centre level should be so designed that the need for bringing about attitudinal changes about the voluntary sector is also taken into account. Focus of the capacity building should not be on tools and techniques but on changing perspectives, motivation and identities.

(6) There should be an inbuilt provision for some amount of funding for training in schemes to be implemented through voluntary sector. While sanctioning bigger projects to VOs, some percentage of grants could be earmarked for capacity building under the heading of training, for enhancement of the capability of the NGO workers.

(7) Capacity building cannot go in piecemeal manner and it has to be a long-term holistic process taking care of the concerns of NGO staff as well as of the organizational capacity. A scheme for deputation of NGO staff to Government and of staff of Central / State Government (administrative & technical) to NGOs may be considered by the concerned Departments / Ministries.

(8) Steps should be taken to identify capacity building organizations available within the voluntary sector and the government (such as NIPCCD, IIPA, NIHFW, NIRD) and their network could be facilitated by an appropriate government agency. In this regard, the Institute of Applied Manpower Research (IAMR), which is already conducting training / orientation for Young Professionals of CAPART, may take a lead and conduct demand driven training programmes regularly for the workers of VOs / NGOs as well as for the government officials dealing with voluntary sector, separately and in mixed groups."

29. When the details of measures taken to develop the effective coordination of NGOs with Pnachayati Raj Institutions and other local bodies were asked, the Ministry of Planinng stated in their reply as follows:

"Yes, Planning Commission is advocating harmonious and symbiotic relationship between the Voluntary Sector and PRIs."

30. Elaborating further, the Ministry stated as below:

"The Steering Committee on Voluntary Sector for the Tenth Plan has recommended that 'Partnership between VOs and PRIs is essential for micro-level development planning. Representatives of voluntary sector be taken on PRI committees / councils and vice versa. *Gram Sabha* and other stakeholders must be informed of every project and details regarding the project activity & beneficiaries etc. by VOs / NGOs, as well as by the PRIs'. The report has been sent to all States / UTs and to the concerned Departments / Ministries."

31. When the issue of proper monitoring mechanism to monitor the working of the NGOs/VOs were raised, the following information was submitted by the Ministry:

"Planning Commission has adequately covered the issue of Monitoring and Evaluation of VOs / NGOs in the above referred report of the Steering Committee on Voluntary Sector for the Tenth Plan. The statement indicating allocations made in the last five years for SER Schemes and their expenditure is enclosed - Annexure I). The procedure followed in Planning Commission is to release 40% of the total approved amount as 1st instalment after receiving executed bond from the concerned institution, organization. After receiving the Utilization Certificate for the 1st instalment released and progress of the study, 2nd instalment is released. The third and final instalment is released when all the documents including Utilization Certificate for the full amount and audited statement are received from the organization."

ANNEXURE-I

Statement Showing Allocations and Expenditure under SER

(Rs. in lakhs)

Year	B.E.	R.E.	Actual Expenditure
1997-98	450	300	140.65
1998-99	200	160	133.76
1999-2000	150	70	69.52
2000-2001	100	100	96.65
2001-2002	125	125	124.99

32. The Committee do endorse the role of the NGOs/VOs in implementation of various social welfare schemes at the grassroot level. The main advantage of NGOs, is their capacity to interact directly with needy groups. Therefore they can effectively deliver goods to fulfill the desired ends.

The Committee note with satisfaction the report of the Steering Committee on voluntary sector and suggest enforcement of these recommendations scrupulously. They also recommend that there is need to frame a proper selection criteria for identifying the relevant NGOs only and eliminate the bogus ones. This is of particular importance to render efficient utilization of funds through NGOs

One of the important steps to improve performance of NGOs is to ensure their proper monitoring and evaluation. The Committee recommend that a system should be evolved to monitor the performance of NGOs. The release of funds to NGOs may be made conditional upon satisfactory performance at subsequent stages. The Committee do recommend that partnership between VOs and PRIs be strengthened in accordance with the suggestion of the Steering Committee on Voluntary Sector.

Shortfall in the contribution of 'own funds of the States'

33. The Mid Term Appraisal of the Ninth Plan shows that there has been a massive deterioration in the contribution of 'own fund' of the States to Plan resources with increased dependence on borrowings to finance their Plan. The shortfall in the contribution of 'Own funds of the States' have been mainly due to deterioration in States 'BCR' and unsatisfactory performance of state level public enterprises.

34. The finances of the State Government have deteriorated precipitously in the 1990s. The State Balance from Current Revenue (BCR) has deteriorated continuously declining from Rs. 3,118 crore in 1985-86 to Rs. 220 crore in 1992-93 after which it turned negative and reached the massive figure of minus and is Rs. 32,306 crore in the year 2000-01. During the same period the States overall debt has multiplied manifold from a level of Rs. 53,660 crore in 1986-87 to Rs. 4,18,583 crore in 2000-01.

35. Pointing out the factors that are responsible for the shortfall in the contribution of the 'own funds' of the State, the Ministry stated as under:

- " States' own fund is the non-debt funding available to State Plan after meeting Non-Plan expenditure. BCR and operating surpluses of State level public enterprises constitute the revenue component of States' own funds. The deterioration of BCR has been mainly on account of :

✓ Shortfalls in the growth of Central tax revenues with consequent implications for States' share thereof.
✓ Shortfalls in the growth of States' own tax revenues.
✓ Stagnant or negligible increases in States' non-tax revenue.
✓ A rapidly increasing burden of salaries and pensions arising out of implementation of V Pay Commission's recommendations.
✓ A rapidly increasing interest burden on account of large debt accumulated over the past."

36. During evidence the representatives while confessing the need for fiscal discipline stated:

> "Selected fiscal targets are to be achieved at both center and the states. This is again a very difficult area. The states are not touching it. But are trying to introduce it. Memoranda of understanding have been signed. If you have fiscal discipline, then our funds are routed to you. So, we have been trying. The Government of India has been trying even to induce its reforms, induce difficult decisions."

37. On the issue of measures taken to overcome the deteriorating BCR of the States, the Ministry in their written reply submitted as under:

- " An improvement in BCR is expected under the overall improvement of Revenue Account balance specified under the Fiscal Reform facility designed by the Eleventh Finance Commission. The improvement will be rewarded by allowing States to draw upon their entitlement of revenue gap grants.

- A significant growth in Central tax revenues is expected under a broad policy of expanding the tax base, including a wider coverage of Service tax base, lowering the indirect tax rates, streamlining and minimising tax exemptions, and reducing tax benefits related to savings, all of which have been addressed in the Union budget, 2002-03. Growth in Central tax revenues will imply larger accrual to State Governments as well.

- Growth in States' own tax revenue, in particular sales tax revenue is expected to improve significantly upon adoption of State Value Added Tax (VAT) by 1st April, 2003. The adoption of State VAT will imply a broadening of indirect tax base, minimising of tax exemptions and a more efficient tax administration geared towards reducing tax evasion.

- The State level Empowered Committee (SLEC) looking after the operation of Fiscal Reform facility has been mandated for prescribing a commercially viable level of user charges for public services, which should lead to a healthy growth in non-tax revenue.

- At various levels of interaction between the Union and State Governments, the latter have been advised to reduce their salary burden by reducing their staff strength. The growth in salary burden is also getting checked by smaller increments of Dearness Allowance, an outcome of a regime of low inflation rates. For reducing the Pension burden, it is expected that States would also constitute a Pension Fund, in the nature of a contributory Provident Fund as recently announced by Central Government for its newly recruited staff.

- As a large part of State Government debt is determined by the debt related policies of Central Government as also transfers under Central Assistance, the interest reduction benefits of any debt control measures administered by the Centre will percolate to State Governments as well. A possibility in this regard in the Union Budget, 2002-03, is the expected reduction in the mobilisation of small savings arising out of reduction of tax related benefits. Centre on its part has indicated its intention to control the debt burden by introducing in Lok Sabha, Fiscal Responsibility and Budgetary Management Bill, 2000.

- A growing operating deficit of State Electricity boards has been perceived, in part, to be attributable to an assured source of budgetary support provided by State Governments. Planning Commission has been advising States to gradually reduce this support and also make it qualified so that SEBs are persuaded to undertake necessary reforms. Privatization is also being advocated for eliminating this source of budgetary burden on State Government finances."

38. The Committee note with serious concern, the sharp deterioration in the contribution of 'own funds' of the State. Already faced with a limited resource base, the unbridled expansion of borrowings of State governments has further compounded the fiscal problem of the states. The Committee take into account the measures stated by the Ministry in this regard. The Planning Commission can play an important role in impressing upon states to observe fiscal prudence.

The Committee desire that the Planning Commission play an effective role. Apart from rewarding the states by linking allocation of plan funds to fiscal performance of states, the Planning Commission should also advise on measures, required to be adopted for state specific problems. The Planning Commission can raise this issue at the forum of National Development Council (NDC) which is the most representative body in the country.

A Task Force on Employment Opportunities

39. The Ninth Plan envisages priority to productive employment which will be generated in the growth process itself by concentrating on sectors, sub-sectors and technologies which are labour intensive, in regions characterised by higher rates of unemployment and under-employment. A Task Force on "Employment Opportunities" was set up by the Planning Commission under the Chairmanship of Shri Montek Singh Ahluwalia, Member, Planning Commission, to examine the existing employment and unemployment situation in the country and to suggest strategies of employment generation for achieving the target of providing employment opportunities to 10 crore people over the next ten years. This implies strategies for providing employment opportunities to one crore people per year on an average.

40. The Terms of Reference of the Task Force are:

i) To examine the existing employment and unemployment situation in the country.

ii) To suggest strategies of employment generation for achieving the target of providing employment opportunities to 10 Crore people over the next ten years. This implies strategies for providing employment opportunities to one Crore people per year on an average.

iii) To consider any other matter related with or incidental to the above Terms of Reference.

41. When asked about the question on providing employment opportunities over the next 10 years the Ministry in reply have stated as under:

> "The Report of the Task Force is under examination in the Planning Commission. A special group under the chairmanship of Dr. S.P. Gupta, Member in charge Labour Employment and Manpower has been constituted. Terms of reference of this special group include:
>
> (i) To suggest strategies and programmes in the Tenth Plan for creating gainful employment opportunities for ten million people a year.
>
> (ii) To consider all relevant studies and recommendations including the Report submitted on July 2, 2001 by the Task Force on Employment Opportunities.

(iii) To look into sectoral issues and policies having a bearing on employment generation, and to recommend the sectoral programmes for creation of employment opportunities.

(iv) To consider the Reports, proceedings and other available documents prepared for the labour intensive sectors by the Planning Commission Working Groups and Steering Committees constituted for the Tenth Plan. "

42. In the reply to a question about the increasing employment opportunities and making reforms in the policies to generate the employment for unemployed youth the Ministry in their written reply has stated as under:

"The Approach Paper to the 10th Plan reiterates the need for employment generation as one of the main objectives of planning process. The Approach Paper recognised the importance of providing gainful high quality employment to the additions to the Labour Force and it is listed as one of the monitorable objectives for the 10th Plan and beyond.

The growth strategy of the 10th Plan would lay emphasis on rapid growth of those sectors which are most likely to create employment opportunities of high qualities and would deal with the policy constraints which discourage growth of employment.

Particular attention will be given to the policy environment influencing a wide range of economic activities which have large employment potentialities.

A Special Group under Dr. S.P. Gupta, Member, Planning Commission is set up to target 10 million opportunities every year over the 10th Plan in various sectors. The Report of the Special Group is still awaited."

43. The Secretary during evidence while elaborating unemployment problem in the country further stated as under:

" About eight million people are added to our work force every year. We had a Task Force in the Planning Commission set up, which had studied the problem and I would really recommend to the hon. Member to go through the report which we have enclosed with our comments. We have given a summary of the Task Force's recommendations. Now a Special Group is also considering that report. It would be educative to go through the summary. It is very readable, very brief. It suggests various sectors. It suggests what needs to be done in each sector. If people get together and do those things, I think there would be no problem in providing jobs to the people. Nothing needs to be done in my opinion. If just proper policy decisions are taken, we can be altogether on a different flight path than our present scrambling, struggling conditions."

44. The Committee note with concern that no serious effort has been made to provide jobs to one crore people every year except that a task force was constituted that has given certain recommendations on the issue and the Special Group constituted thereafter is examining those recommendations. In their opinion, the constitution of such Committee and Special Groups will not help solve the yawning unemployment problem in the country.

The Committee suggest that the agricultural and industrial development must be viewed as a core element of the Plan. There should be rapid growth of those sectors which are most likely to create high quality employment opportunities to the rural poor including agricultural labour. Also there is an urgent need to increase public investment in agriculture especially in irrigation and water management to provide adequate work opportunities for the growing labour force

NEW DELHI;
18 April, 2002
28 Chaitra, 1924(Saka)

N. JANARDHANA REDDY
Chairman,
Standing Committee on Finance

MINUTES OF THE EIGHTH SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Wednesday 03 April, 2002 from 1600 hrs to 1800 hrs.

PRESENT

Shri N. Janardhana Reddy - Chairman

MEMBERS

LOK SABHA

1. **Shri Ramsinh Rathwa**
2. Shri Kharabela Swain
3. Shri Varkala Radhakrishnan
4. Shri Abdul Rashid Shaheen
5. Capt. Jai Narain Prasad Nishad

RAJYA SABHA

1. Shri Parmeshwar Kumar Agarwalla

Secretrariat

1. Shri R.K.Jain - Deputy Secretary
2. Shri S. B. Arora - Under Secretary

Ministry of Planning

Witnesses

1. Shri S.S. Boparai K.C., Secretary, Planning Commission
2. Smt. Jyotsna Khanna, Pr. Adviser (LEM, Tourism)
3. Smt. Krishna Bhatnagar, Pr. Adviser (Agri.)
4. Shri Mantreshwar Jha, Pr. Adviser (E&F and C&I)
5. Shri P.K.Mohanty, Pr. Adviser (Power)
6. Shri Lakshmi Ratan, Pr. Adviser (Edn.)
7. Smt. Krishna Singh, Member-Secretary (NCP)
8. Dr. (Mrs.) Prema Ramachandran, Adviser (H&F.W.)
9. Mrs. T.K. Sarojini, Adviser (SD & WP)
10. Dr. Pronab Sen, Adviser (PP)

11. Sh. L.M. Mehta, Adviser (VAC)
12. Dr. (Smt.) Rohini Nayyar, Adviser (RD)
13. Dr. N.J. Kurian, Adviser (FR)
14. Dr. Arvind Virmani, Adviser (DP)
15. Smt. Firoza Mehrotra, Adviser (PC)
16. Dr. S.P.Pal, Adviser (PEO)
17. Sh. P.M. Rangaswamy, Adviser (CF)
18. Sh. Shailendra Sharma, Adviser (LEM)
19. Dr. Ranjan S. Kattoch, Adviser (NE)
20. Dr. Ahmad Masood, Adviser
21. Shri. P.S.S Thomas, Adviser
22. Shri. M Lal, Jt Adviser
23. Shri V.K. Bhatia, Jt Adviser
24. Shri Rajeev Malhotra, Deputy Adviser (PC)
25. Shri R.K. Gupta, Deputy Adviser (PC)
26. Shri Lalit Kumar, Dy. Adviser
27. Ms. L.N. Tochhawng, Director (Finance)

OFFICERS FROM NATIONAL COMMISSION ON POPULATION

1. Shri V. Asokan, Joint Secretary (NCP)
2. Shri R.K. Parmar, Under Secretary (NCP)
3. Shri C.S. Mishra, Research Officer (NCP)

2. At the outset Chairman welcomed the representatives of Ministry of Planning to the sitting of the Committee and invited their attention to the provisions contained in Direction 58 of the Directions by the Speaker.

3. The Committee then took oral evidence of representatives of the Ministry of Planning on Demands for Grants (2002-03) of the Ministry of Planning and other related matters.

4. The oral evidence was then concluded.

5. A verbatim record of proceedings has been kept.

The witnesses then withdrew

The Committee then adjourned.

MINUTES OF THE TENTH SITTING OF STANDING COMMITTEE ON FINANCE

The Committee sat on Wednesday, 17 April, 2002 from 1500 hours to 1640 hours.

PRESENT

Shri N.Janardhana Reddy - Chairman

MEMBERS

LOK SABHA

2. Shri Ramsinh Rathwa
3. Shri Rattan Lal Kataria
4. Shri Kirit Somaiya
5. Shri Kharabela Swain
6. Shri Sudarsana E.M. Natchiappan
7. Shri Rupchand Pal
8. Shri Varkala Radhakrishnan
9. Dr. Daggubati Ramanaidu
10. Shri T.M. Selvaganapathi
11. Shri Trilochan Kanungo
12. Shri Abdul Rashid Shaheen
13. Shri Jyotiraditya Madhavrao Scindia

RAJYA SABHA

14. Dr. Manmohan Singh
15. Shri S.S. Ahluwalia
16. Shri Palden Tsering Gyamtso
17. Shri Prithviraj D. Chavan
18. Shri Murli Deora

SECRETARIAT

1. Dr.(Smt.) P.K. Sandhu - Joint Secretary
2. Shri R.K. Jain - Deputy Secretary
3. Shri S.B. Arora - Under Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee and informed them regarding the desire of the seven member delegation of the Financial and Economic Committee of the National People's Congress (NPC) of China to call on the Members of the Standing Committee on Finance during their proposed visit to India in mid May, 2002. The Committee then decided to meet the Chinese National People's Congress delegation on 14 May, 2002 afternoon.

3. Thereafter, the Chairman introduced the newly nominated Members S/Shri Prithviraj D. Chavan, MP, Jyotiraditya Madhavrao Scindia, MP and Murli Deora, MP to the Committee and welcomed them to the sitting of the Committee.

4. XXX XXX XXX XXX

5. XXX XXX XXX XXX

6. Thereafter, they took up for consideration the draft report on the Demands for Grants (2002-2003) of Ministry of Planning and adopted the same with the amendments shown in annexure III.

7. The Committee authorized the Chairman to finalise the Reports in the light of modifications as also to make verbal and other consequential changes arising out of the factual verification and present the same to both the Houses of Parliament.

Annexure III

[Modifications/amendments made by the Standing Committee on Finance on their draft Report on Demands for Grants (2002-2003) of Ministry of Planning at their sitting held on 17 April, 2002]

Page 22, Para 32, Line 8

For "relevant NGOs and chaff out the bogus ones"

Substitute "relevant NGOs only and eliminate the bogus ones"